

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-1034, SUB 13

In the Matter of)	
Application of Water Resources, Inc.,)	SUPPLEMENTAL
for Authority to Adjust and Increase Rates for)	TESTIMONY OF
Water Utility Service in Rocky River Plantation)	LYNN FEASEL
Subdivision in Cabarrus County and River)	PUBLIC STAFF –
Walk Subdivision in Mecklenburg County,)	NORTH CAROLINA
North Carolina)	UTILITIES COMMISSION

April 26, 2024

1 **Q. Please state your name, business address, and present position.**

2 A. My name is Lynn Feasel. My business address is 430 North Salisbury
3 Street, Dobbs Building, Raleigh, North Carolina. I am the Public
4 Utilities Regulatory Supervisor of the Water, Sewer, and
5 Telecommunications Sections with the Accounting Division of the
6 Public Staff – North Carolina Utilities Commission (Public Staff).

7 **Q. Are you the same Lynn Feasel who filed direct testimony on**
8 **behalf of the Public Staff in this proceeding on April 12, 2024?**

9 A. Yes.

10 **Q. Are your qualifications and duties the same as stated in your**
11 **direct testimony?**

12 A. Yes.

13 **Q. What is the purpose of your supplemental testimony?**

14 A. The purpose of my supplemental testimony is to update the rate case
15 expense and subsequently the Public Staff recommended revenue
16 requirement based upon the update. My updated adjustment and
17 revenue requirement schedules are attached as Public Staff
18 Accounting Supplemental Exhibit I.

- 1 **Q. Please describe your update to rate case expense since your**
2 **initial testimony.**
- 3 **A.** After the filing of my direct testimony and exhibit on April 12, 2024,
4 the Public Staff audited rate case expense invoices provided by the
5 Company and included the prudently incurred actual rate case
6 expenses to date and amortized the rate case expenses over a five-
7 year period in Public Staff Accounting Supplemental Exhibit I.
8 Additionally, I continue to recommend that if the Company's next rate
9 case filing exceeds the five-year amortization period, starting with the
10 date on which rates become effective in the present case, the
11 Company shall record any overcollection of rate case expense,
12 beginning the first month after the five-year amortization period ends,
13 in a regulatory liability account on a monthly basis, to be returned to
14 ratepayers with interest based on the weighted average cost of
15 capital, in a manner determined in the Company's next rate case.
16 Should the Company file for a rate case before the expiration of the
17 amortization period, any unrecovered rate case expense balance will
18 be added in the new rate case expense and amortized over the
19 number of years approved by the Commission in that rate case.
20 Finally, the Public Staff intends to include audited rate case expense
21 deemed prudently incurred through the close of the expert witness
22 hearing and will reflect the final rate case expense and subsequent
23 revenue requirement in its proposed order in the present case.

- 1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?
- 2 A. Yes, it does.

Water Resources, Inc.
 Docket W-1034 Sub 13
RETURN ON ORIGINAL COST RATE BASE
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 1a

Rocky River

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$216,758 [2]	4.20% [1]	2.10%	\$9,104 [8]
2.	Equity	50.00%	216,758 [2]	-31.12% [6]	-15.56%	(67,457) [9]
3.	Total	<u>100.00%</u>	<u>\$433,515 [3]</u>		<u>-13.46%</u>	<u>(\$58,353) [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$216,758 [4]	4.20% [1]	2.10%	\$9,104 [8]
5.	Equity	50.00%	216,758 [4]	34.41% [6]	17.21%	74,585 [11]
6.	Total	<u>100.00%</u>	<u>\$433,515 [3]</u>		<u>19.31%</u>	<u>\$83,689 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$216,758 [5]	4.20% [1]	2.10%	\$9,104 [8]
8.	Equity	50.00%	216,758 [5]	9.80% [1]	4.90%	21,242 [8]
9.	Total	<u>100.00%</u>	<u>\$433,515 [3]</u>		<u>7.00%</u>	<u>\$30,346</u>

[1] Provided by Public Staff Economic Analyst Reger.
 [2] Column (a) x Line 3, Column (b).
 [3] Public Staff Accounting Exhibit I, Schedule 2a, Line 10, Column (c).
 [4] Column (a) x Line 6, Column (b).
 [5] Column (a) x Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) x Column (c).
 [8] Column (b) x Column (c).
 [9] Line 3 - Line 1, Column (e).
 [10] Public Staff Accounting Exhibit I, Schedule 3a, Line 28, Column (c).
 [11] Line 6 - Line 4, Column (e).
 [12] Public Staff Accounting Exhibit I, Schedule 3a, Line 28, Column (e).

Water Resources, Inc.
 Docket W-1034 Sub 13
RETURN ON ORIGINAL COST RATE BASE
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 1b

River Walk

Line No.	Item	Capitalization Ratio [1]	Original Cost Rate Base [2]	Embedded Cost [3]	Overall Cost Rate [7]	Net Operating Income [8]
		(a)	(b)	(c)	(d)	(e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$12,138 [2]	4.20% [1]	2.10%	\$510 [8]
2.	Equity	50.00%	12,138 [2]	-5.73% [6]	-2.87%	(696) [9]
3.	Total	100.00%	\$24,277 [3]		-0.77%	(\$186) [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$12,138 [4]	4.20% [1]	2.10%	\$510 [8]
5.	Equity	50.00%	12,138 [4]	132.12% [6]	66.06%	16,037 [11]
6.	Total	100.00%	\$24,277 [3]		68.16%	\$16,547 [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$12,138 [5]	4.20% [1]	2.10%	\$510 [8]
8.	Equity	50.00%	12,138 [5]	9.80% [1]	4.90%	1,190 [8]
9.	Total	100.00%	\$24,277 [3]		7.00%	\$1,700

[1] Provided by Public Staff Economic Analyst Reger.
 [2] Column (a) x Line 3, Column (b).
 [3] Public Staff Accounting Exhibit I, Schedule 2b, Line 10, Column (c).
 [4] Column (a) x Line 6, Column (b).
 [5] Column (a) x Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) x Column (c).
 [8] Column (b) x Column (c).
 [9] Line 3 - Line 1, Column (e).
 [10] Public Staff Accounting Exhibit I, Schedule 3b, Line 28, Column (c).
 [11] Line 6 - Line 4, Column (e).
 [12] Public Staff Accounting Exhibit I, Schedule 3b, Line 28, Column (e).

Water Resources, Inc.
 Docket W-1034 Sub 13
**MARGIN ON OPERATING REVENUE DEDUCTIONS
 REQUIRING A RETURN**
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 1c

Rocky River

<u>Line No.</u>	<u>Item</u>	<u>Present Rates</u> (a)	<u>Company Proposed Rates</u> (b)	<u>Public Staff Proposed Rates</u> (c)
1.	Net operating income for a return	(\$58,353) [1]	\$83,689 [4]	\$7,139 [6]
2.	Operating revenue deductions requiring a return	<u>101,989</u> [2]	<u>101,989</u> [5]	<u>101,989</u> [7]
3.	Return	<u>-57.22%</u> [3]	<u>82.06%</u> [3]	<u>7.00%</u> [8]

[1] Public Staff Accounting Exhibit I, Schedule 3a, Line 28, Column (c).
 [2] Public Staff Accounting Exhibit I, Schedule 3a, Line 17 + Line 18 + Line 19 + Line 20 + Line 21 + Line 22, Column (c).
 [3] Line 1 divided by Line 2.
 [4] Public Staff Accounting Exhibit I, Schedule 3a, Line 28, Column (e).
 [5] Public Staff Accounting Exhibit I, Schedule 3a, Line 17 + Line 18 + Line 19 + Line 20 + Line 21 + Line 22, Column (e).
 [6] Line 2 x Line 3, Column (c).
 [7] Public Staff Accounting Exhibit I, Schedule 3a, Line 17 + Line 18 + Line 19 + Line 20 + Line 21 + Line 22, Column (g).
 [8] Provided by Public Staff Economic Analyst Reger.

Water Resources, Inc.
 Docket W-1034 Sub 13
**MARGIN ON OPERATING REVENUE DEDUCTIONS
 REQUIRING A RETURN**
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 1d

River Walk

<u>Line No.</u>	<u>Item</u>	<u>Present Rates (a)</u>	<u>Company Proposed Rates (b)</u>	<u>Public Staff Proposed Rates (c)</u>
1.	Net operating income for a return	(\$186) [1]	\$16,547 [4]	\$2,505 [6]
2.	Operating revenue deductions requiring a return	<u>35,787 [2]</u>	<u>35,787 [5]</u>	<u>35,787 [7]</u>
3.	Return	<u><u>-0.52% [3]</u></u>	<u><u>46.24% [3]</u></u>	<u><u>7.00% [8]</u></u>

[1] Public Staff Accounting Exhibit I, Schedule 3b, Line 28, Column (c).
 [2] Public Staff Accounting Exhibit I, Schedule 3b, Line 17 + Line 18 + Line 19 + Line 20 + Line 21 + Line 22, Column (c).
 [3] Line 1 divided by Line 2.
 [4] Public Staff Accounting Exhibit I, Schedule 3b, Line 28, Column (e).
 [5] Public Staff Accounting Exhibit I, Schedule 3b, Line 17 + Line 18 + Line 19 + Line 20 + Line 21 + Line 22, Column (e).
 [6] Line 2 x Line 3, Column (c).
 [7] Public Staff Accounting Exhibit I, Schedule 3b, Line 17 + Line 18 + Line 19 + Line 20 + Line 21 + Line 22, Column (g).
 [8] Provided by Public Staff Economic Analyst Reger.

Water Resources, Inc.
 Docket W-1034 Sub 13
ORIGINAL COST RATE BASE
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 2a

Rocky River

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> (a)	<u>Public Staff Adjustments</u> [1] (b)	<u>Amount Per Public Staff</u> (c)
1	Plant in service	\$587,064	(\$65,463)	\$521,601 [2]
2	Accumulated depreciation	(83,559)	(1,699)	(85,258) [3]
3	Contributions in aid of construction	(13,295)	0	(13,295)
4	Accumulated amortization of CIAC	0	0	0
5	Customer advances	0	0	0
6	Net plant in service (Sum L1 + L5)	<u>490,210</u>	<u>(67,162)</u>	<u>423,048</u>
7	Customer deposits	0	0	0
8	Cash working capital	13,963	(2,778)	11,185 [4]
9	Average tax accruals	<u>(673)</u>	<u>(46)</u>	<u>(719)</u> [5]
10	Original cost rate base (Sum L6 + L9)	<u>\$503,500</u>	<u>(\$69,985)</u>	<u>\$433,515</u>

[1] Column (c) - Column (a), unless otherwise noted.
 [2] Public Staff Accounting Exhibit I, Schedule 2-1a, Line 33, Column (a).
 [3] Public Staff Accounting Exhibit I, Schedule 2-1a, Line 33, Column (f).
 [4] Calculated as one-eighth of total O&M expenses.
 [5] Calculated as one-half of property tax plus one-fifth of payroll tax.

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 Apr 26 2024

Water Resources, Inc.
 Docket W-1034 Sub 13
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED
 DEPRECIATION AND DEPRECIATION EXPENSE**
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 2-1a

Rocky River

Line No.	Item	Plant In Service [1] (a)	Year Acquired [1] (b)	Life [1] (c)	Years In Service [3] (d)	Annual Depreciation [4] (e)	Accumulated Depreciation [5] (f)
Plant in service per Sub 8 Rate Case:							
1	Land	\$3,000	1988	n/a	n/a	n/a	n/a
2	Water system installed in 1998	14,600	1988	25	35.50	0	14,600
3	Organizational costs	10,017	1993	25	30.50	0	10,017
4	Meters, connections, etc.	4,425	1994	20	29.50	0	4,425
5	Fence, storage tank	3,400	1994	25	29.50	0	3,400
6	Meters, connections, etc.	5,321	1995	20	28.50	0	5,321
7	McMillian Acres expansion	7,196	1995	25	28.50	0	7,196
8	Meters, installation only	518	1996	20	27.50	0	518
9	Pump	6,540	1996	10	27.50	0	6,540
10	Meters, connections, etc.	874	1996	20	27.50	0	874
11	Meters, installation only	390	1997	20	26.50	0	390
12	Meters, connections, etc.	385	1998	20	25.50	0	385
13	Meters, connections, etc.	206	2000	20	23.50	0	206
14	Meters, connections, etc.	165	2001	20	22.50	0	165
15	Clearing trees & stumps	2,360	2001	10	22.50	0	2,360
16	Pumps	7,372	1999	10	24.50	0	7,372
17	Pumps	6,508	2000	10	23.50	0	6,508
18	Pumps	1,957	2001	10	22.50	0	1,957
19	Water line and meter	2,509	2017	5	6.50	0	2,509
20	Total plant in service per Sub 8 proceeding (Sum L1 + L19)	77,743				0	74,743
Plant additions since Sub 8 rate case proceeding:							
21	Pressure switch	1,787 [2]	2021 [2]	5 [2]	2.50	357	894
22	Water meters	13,787 [2]	2022 [2]	15 [2]	1.50	919	1,379
23	Meter & ball valve replacement	2,788 [2]	2022 [2]	15 [2]	1.50	186	279
24	Pump repairs	0 [2]	2022 [2]	7 [2]	1.50	0	0
25	Total plant additions within test year (Sum L21 + L24)	18,362				1,462	2,551
Post Year Plant Additions							
26	Filter drain repair	2,419 [2]	2023 [2]	7 [2]	1.00	346	346
27	Pump and motor replacement	11,761 [2]	2023 [2]	10 [2]	1.00	1,176	1,176
28	Harrisburg interconnection	310,176 [2]	2023 [2]	50 [2]	1.00	6,204	6,204
29	Harrisburg interconnect meter	3,575 [2]	2023 [2]	15 [2]	1.00	238	238
30	Harrisburg Development Fee	97,565 [2]	2023 [2]	0 [2]	1.00	n/a	n/a
31	Total post test year plant additions (Sum L26 + L30)	425,496				7,964	7,964
32	Total plant additions since Sub 8 rate case proceeding (L25 + L31):	443,858				9,426	10,515
33	Total plant in service (L20 + L25 + L31)	\$521,601				\$9,426	\$85,258

[1] Approved from last rate case W-1034 Sub 8.
 [2] Provided by Public Staff Engineer Houser.
 [3] Calculated based on year placed in service using half year convention through 12/31/2023.
 [4] Column (a) divided by Column (c), unless fully depreciated.
 [5] Column (d) multiplied by Column (e), unless fully depreciated.

Water Resources, Inc.
 Docket W-1034 Sub 13
ORIGINAL COST RATE BASE
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 2b

River Walk

Line No.	<u>Item</u>	Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff (c)
1	Plant in service	\$53,224	\$0	\$53,224 [2]
2	Accumulated depreciation	(23,830)	(3,571)	(27,401) [3]
3	Contributions in aid of construction	(6,165)	0	(6,165)
4	Accumulated amortization of CIAC	0	876	876 [4]
5	Customer advances	0	0	0
6	Net plant in service (Sum L1 + L5)	23,229	(2,695)	20,534
7	Customer deposits	0	0	0
8	Cash working capital	4,869	(948)	3,921 [5]
9	Average tax accruals	(670)	492	(178) [6]
10	Original cost rate base (Sum L6 + L9)	\$27,428	(\$3,151)	\$24,277

[1] Column (c) - Column (a).

[2] Public Staff Accounting Exhibit I, Schedule 2-1b, Line 20, Column (a).

[3] Public Staff Accounting Exhibit I, Schedule 2-1b, Line 20, Column (f).

[4] Public Staff Accounting Exhibit I, Schedule 2-2b, Line 6, Column (f).

[5] Calculated as one-eighth of total O&M expenses.

[6] Calculated as one-half of property tax plus one-fifth of payroll tax.

Water Resources, Inc.
 Docket W-1034 Sub 13
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED DEPRECIATION
 AND DEPRECIATION EXPENSE**
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 2-1b

River Walk

Line No.	Item	Plant In Service [1] (a)	Year Acquired [1] (b)	Life [1] (c)	Years In Service [3] (d)	Annual Depreciation [4] (e)	Accumulated Depreciation [5] (f)		
River Walk									
1	Water system installed in 2002	18,495	2002	30	21.50	617	13,255		
2	35 gallon poly solution tank	91	2007	5	16.50	0	91		
3	Chemical feed pump (installed)	665	2007	3	16.50	0	665		
4	Meter spuds and meters	243	2007	30	16.50	8	134		
5	Meter boxes	195	2010	30	13.50	7	88		
6	Cut-off valves	177	2010	15	13.50	12	159		
7	Meters	75	2010	30	13.50	3	34		
8	Organizational costs	13,692	2011	20	12.50	685	8,558		
9	Total plant in service per Sub 8 proceeding (Sum L1 + L8)	<u>33,633</u>				<u>1,330</u>	<u>22,983</u>		
Plant additions since Sub 8 rate case proceeding:									
10	Pump rebuild	2,587 [2]	2021	[2]	7	[2]	2.50	370	924
11	Pump	1,450 [2]	2021	[2]	7	[2]	2.50	207	518
12	Pump install	888 [2]	2021	[2]	7	[2]	2.50	127	317
13	Pump repairs	551 [2]	2021	[2]	7	[2]	2.50	79	197
14	Booster pump	3,435 [2]	2022	[2]	7	[2]	1.50	491	736
15	Pancake compressor	830 [2]	2022	[2]	5	[2]	1.50	166	249
16	Total plant additions within test year (Sum L10 + L15)	<u>9,741</u>				<u>1,439</u>	<u>2,941</u>		
Post Year Plant Additions									
17	Clean & paint 2 tanks	9,850 [2]	2022	[2]	10	[2]	1.50	985	1,478
18	Total post test year plant additions (L17)	<u>9,850</u>				<u>985</u>	<u>1,478</u>		
19	Total plant additions since Sub 8 rate case proceeding (L16 + L18):	<u>\$19,591</u>				<u>\$2,424</u>	<u>\$4,418</u>		
20	Total plant in service (L9 + L16 + L18):	<u>\$53,224</u>				<u>\$3,754</u>	<u>\$27,401</u>		

[1] Approved from last rate case W-1034 Sub 8.
 [2] Provided by Public Staff Engineer Houser.
 [3] Calculated based on year placed in service using half year convention through 12/31/2023.
 [4] Column (a) divided by Column (c), unless fully depreciated.
 [5] Column (d) multiplied by Column (e), unless fully depreciated.

Water Resources, Inc.
 Docket W-1034 Sub 13

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 2-2b

**CALCULATION OF CIAC, ACCUMULATED
 AMORTIZATION AND AMORTIZATION EXPENSE**
 For The Test Year Ended 2022

River Walk

Line No.	Item	Tap-on Fees [1]	Year Acquired [1]	Amortization Life In Years [1]	Years In Service [2]	Annual Amortization [3]	Accumulated Amortization [4]
		(a)	(b)	(c)	(d)	(e)	(f)
1.	Tap fees 2018	(2,055)	2018	25	5.50	(82)	451
2.	Tap fees 2019	(685)	2019	25	4.50	(27)	122
3.	Tap fees 2020	(1,370)	2020	25	3.50	(55)	193
4.	Tap fees 2022	(1,370)	2022	25	1.50	(55)	83
5.	Tap fees 2023	(685)	2023	25	1.00	(27)	27
6.	Total CIAC (Sum L1 thru L5)	<u>(\$6,165)</u>				<u>(\$246)</u>	<u>\$876</u>

[1] Information provided by the Company.
 [2] Calculated based on year placed in service using half year convention through 12/31/2023.
 [3] Column (a) divided by Column (c), unless fully depreciated.
 [4] Column (d) multiplied by Column (e), unless fully depreciated.

Water Resources, Inc.
 Docket W-1034 Sub 13
NET OPERATING INCOME FOR A RETURN
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3a
 Page 1 of 2

Rocky River

Line No.	Item	Present Rates		Company Proposed Rates		Public Staff Recommended Rates		
		Amount Per Company Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [2] (c)	Net Company Increase [16] (d)	Operations After Rate Increase [17] (e)	Net Public Staff Increase [20] (f)	Operations After Rate Increase [21] (g)
Operating Revenues:								
1	Service revenues	\$45,066	(\$2,214)	\$42,852 [3]	\$164,532	\$207,384 [3]	\$95,175	\$138,027 [22]
2	Miscellaneous revenues	848	0	848	0	848	0	848
3	Uncollectibles	0	0	0	0	0	0	0
4	Total operating revenues (Sum L1 + L3)	<u>45,914</u>	<u>(2,214)</u>	<u>43,700</u>	<u>164,532</u>	<u>208,232</u>	<u>95,175</u>	<u>138,875 [23]</u>
Operating and Maintenance Expenses:								
5	Salaries and wages	29,123	(4,032)	25,091 [4]	0	25,091	0	25,091
6	Administrative and office expense	7,636	(699)	6,937 [5]	0	6,937	0	6,937
7	Maintenance & repair expense	9,106	(3,052)	6,054 [3]	0	6,054	0	6,054
8	Contract Operator	29,412	0	29,412 [3]	0	29,412	0	29,412
9	Electric Power	6,938	(727)	6,211 [3]	0	6,211	0	6,211
10	Water Testing	3,433	(1,776)	1,657 [3]	0	1,657	0	1,657
11	Chemicals	3,516	228	3,744 [3]	0	3,744	0	3,744
12	Purchased water	1,245	14	1,259 [3]	0	1,259	0	1,259
13	Insurance expense	2,199	147	2,346 [6]	0	2,346	0	2,346
14	Professional Services	8,611	(7,466)	1,145 [7]	0	1,145	0	1,145
15	Miscellaneous expenses	1,681	864	2,545 [8]	0	2,545	0	2,545
16	Regulatory expense	8,805	(5,722)	3,083 [9]	0	3,083	0	3,083
17	Total operating and maintenance expenses (Sum L5 + L16)	<u>111,705</u>	<u>(22,221)</u>	<u>89,484</u>	<u>0</u>	<u>89,484</u>	<u>0</u>	<u>89,484</u>
Depreciation and Taxes:								
18	Depreciation expense	28,917	(19,491)	9,426 [10]	\$0	9,426	\$0	9,426
19	Amortization expense - CIAC	0	0	0	0	0	0	0
20	Property taxes	454	(0)	454 [11]	0	454	0	454
21	Payroll taxes	2,228	231	2,459 [12]	0	2,459	0	2,459
22	Other taxes	166	0	166	0	166	0	166
23	Regulatory fee	68	(4)	64 [13]	243	307 [13]	140	205 [13]
24	State income tax	0	0	0 [14]	2,421	2,421 [18]	689	689 [24]
25	Federal income tax	0	0	0 [15]	19,826	19,826 [19]	5,647	5,647 [25]
26	Total depreciation and taxes (Sum L18 + L25)	<u>31,833</u>	<u>(19,264)</u>	<u>12,569</u>	<u>22,490</u>	<u>35,059</u>	<u>6,476</u>	<u>19,046</u>
27	Total operating revenue deductions (L17 + L26):	<u>143,538</u>	<u>(41,485)</u>	<u>102,053</u>	<u>22,490</u>	<u>124,543</u>	<u>6,476</u>	<u>108,529</u>
28	Net operating income for return (L4 - L27)	<u>(\$97,624)</u>	<u>\$39,271</u>	<u>(\$58,353)</u>	<u>\$142,042</u>	<u>\$83,689</u>	<u>\$88,699</u>	<u>\$30,346</u>

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Water Resources, Inc.
Docket W-1034 Sub 13
FOOTNOTES TO SCHEDULE 3
For The Test Year Ended 2022

Public Staff
Accounting Supplemental Exhibit I
Schedule 3a
Page 2 of 2

Rocky River

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Houser.
- [4] Public Staff Accounting Exhibit I, Schedule 3-1, Line 4, Column (b).
- [5] Public Staff Accounting Exhibit I, Schedule 3-2, Line 3, Column (b).
- [6] Public Staff Accounting Exhibit I, Schedule 3-3, Line 3, Column (b).
- [7] Public Staff Accounting Exhibit I, Schedule 3-4, Line 7, Column (b).
- [8] Public Staff Accounting Exhibit I, Schedule 3-5, Line 3, Column (b).
- [9] Public Staff Accounting Exhibit I, Schedule 3-6, Line 6, Column (d).
- [10] Public Staff Accounting Exhibit I, Schedule 2-1a, Line 33, Column (e).
- [11] Public Staff Accounting Exhibit I, Schedule 3-7, Line 3, Column (b).
- [12] Public Staff Accounting Exhibit I, Schedule 3-8, Line 3, Column (b).
- [13] Line 4 multiplied by .1475%.
- [14] Public Staff Accounting Exhibit I, Schedule 3-9a, Column (a), Line 12.
- [15] Public Staff Accounting Exhibit I, Schedule 3-9a, Column (a), Line 14.
- [16] Column (e) minus Column (c), unless otherwise footnoted.
- [17] Column (c) plus Column (d), unless otherwise footnoted.
- [18] Public Staff Accounting Exhibit I, Schedule 3-9a, Column (b), Line 12.
- [19] Public Staff Accounting Exhibit I, Schedule 3-9a, Column (b), Line 14.
- [20] Column (g) minus Column (c), unless otherwise footnoted.
- [21] Column (c) plus Column (f), unless otherwise footnoted.
- [22] Column (g), L4-L2-L3.
- [23] Revenue requirement as calculated by the Public Staff.
- [24] Public Staff Accounting Exhibit I, Schedule 3-9a, Column (c), Line 12.
- [25] Public Staff Accounting Exhibit I, Schedule 3-9a, Column (c), Line 14.

Water Resources, Inc.
 Docket W-1034 Sub 13
NET OPERATING INCOME FOR A RETURN
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3b
 Page 1 of 2

River Walk

Line No.	Item	Present Rates			Company Proposed Rates			Public Staff Recommended Rates		
		Amount Per Company Application	Public Staff Adjustments [1]	Amount Per Public Staff [2]	Net Company Increase [18]	Operations After Rate Increase [19]	Net Public Staff Increase [22]	Operations After Rate Increase [23]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
Operating Revenues:										
1	Service revenues	\$42,807	(\$7,544)	\$35,263 [3]	\$21,700	\$56,963	\$3,443	\$38,706 [24]		
2	Miscellaneous revenues	(7,651)	8,042	391 [4]	0	391 [4]	\$0	391 [4]		
3	Uncollectibles	0	0	0	0	0	\$0	0		
4	Total operating revenues (Sum L1 + L3)	35,156	498	35,654	21,700	57,354	3,443	39,097 [25]		
Operating and Maintenance Expenses:										
5	Salaries and wages	9,877	(1,368)	8,509 [5]	0	8,509	0	8,509		
6	Administrative and office expense	2,584	(231)	2,353 [6]	0	2,353	0	2,353		
7	Maintenance & repair expense	3,071	(1,271)	1,800 [3]	0	1,800	0	1,800		
8	Contract Operator	9,974	0	9,974 [3]	0	9,974	0	9,974		
9	Electric	3,451	(405)	3,046 [3]	0	3,046	0	3,046		
10	Water Testing	914	743	1,657 [3]	0	1,657	0	1,657		
11	Chemicals	1,192	(256)	936 [3]	0	936	0	936		
12	Purchased water	0	0	0 [3]	0	0	0	0		
13	Other Expenses: Insurance Expense	746	49	795 [7]	0	795	0	795		
14	Other Expenses: Professional expenses	3,587	(3,199)	388 [8]	0	388	0	388		
15	Other expenses - Miscellaneous expense	570	293	863 [9]	0	863	0	863		
16	Regulatory expense	2,986	(1,940)	1,046 [10]	0	1,046	0	1,046		
17	Total operating and maintenance expenses (Sum L5 + L16)	38,952	(7,585)	31,367	0	31,367	0	31,367		
Depreciation and Taxes:										
18	Depreciation expense	4,287	(533)	3,754 [11]	0	3,754	0	3,754		
19	Amortization expense - CIAC	0	(247)	(247) [12]	0	(247)	0	(247)		
20	Property taxes	1,039	(1,016)	23 [13]	0	23	0	23		
21	Payroll taxes	756	78	834 [14]	0	834	0	834		
22	Other taxes	56	0	56	0	56	0	56		
23	Regulatory fee	73	(20)	53 [15]	32	85 [15]	5	58 [15]		
24	State income tax	104	(104)	0 [16]	537	537 [20]	81	81 [26]		
25	Federal income tax	805	(805)	0 [17]	4,398	4,398 [21]	666	666 [27]		
26	Total depreciation and taxes (Sum L18 + L25)	7,120	(2,648)	4,472	4,967	9,440	752	5,224		
27	Total operating revenue deductions (L17 + L26):	46,072	(10,232)	35,840	4,967	40,807	752	36,592		
28	Net operating income for return (L4 - L27)	(\$10,916)	\$10,730	(\$186)	\$16,733	\$16,547	\$2,691	\$2,505		

Water Resources, Inc.
Docket W-1034 Sub 13
FOOTNOTES TO SCHEDULE 3
For The Test Year Ended 2022

Public Staff
Accounting Supplemental Exhibit I
Schedule 3b
Page 2 of 2

River Walk

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Houser.
- [4] Per company's financial records.
- [5] Public Staff Accounting Exhibit I, Schedule 3-1, Line 4, Column (c).
- [6] Public Staff Accounting Exhibit I, Schedule 3-2, Line 3, Column (c).
- [7] Public Staff Accounting Exhibit I, Schedule 3-3, Line 3, Column (c).
- [8] Public Staff Accounting Exhibit I, Schedule 3-4, Line 7, Column (c).
- [9] Public Staff Accounting Exhibit I, Schedule 3-5, Line 3, Column (c).
- [10] Public Staff Accounting Exhibit I, Schedule 3-6, Line 6, Column (e).
- [11] Public Staff Accounting Exhibit I, Schedule 2-1b, Line 20, Column (e).
- [12] Public Staff Accounting Exhibit I, Schedule 2-2b, Line 6, Column (e).
- [13] Public Staff Accounting Exhibit I, Schedule 3-7, Line 3, Column (c).
- [14] Public Staff Accounting Exhibit I, Schedule 3-8, Line 3, Column (c).
- [15] Line 4 multiplied by .1475%.
- [16] Public Staff Accounting Exhibit I, Schedule 3-9b, Column (a), Line 12.
- [17] Public Staff Accounting Exhibit I, Schedule 3-9b, Column (a), Line 14.
- [18] Column (e) minus Column (c), unless otherwise footnoted.
- [19] Column (c) plus Column (d), unless otherwise footnoted.
- [20] Public Staff Accounting Exhibit I, Schedule 3-9b, Column (b), Line 12.
- [21] Public Staff Accounting Exhibit I, Schedule 3-9b, Column (b), Line 14.
- [22] Column (g) minus Column (c), unless otherwise footnoted.
- [23] Column (c) plus Column (f), unless otherwise footnoted.
- [24] Column (g), L4-L2-L3.
- [25] Revenue requirement as calculated by the Public Staff.
- [26] Public Staff Accounting Exhibit I, Schedule 3-9b, Column (c), Line 12.
- [27] Public Staff Accounting Exhibit I, Schedule 3-9b, Column (c), Line 14.

Water Resources, Inc.
 Docket W-1034 Sub 13
ADJUSTMENT TO SALARIES AND WAGES
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3-1

<u>Line No.</u>	<u>Item</u>	<u>Total Amount</u> [1] (a)	<u>Allocated Rocky River</u> [2] (b)	<u>Allocated River Walk</u> [2] (c)
1.	Salaries and wages per application	\$39,000	\$29,123	\$9,877
2.	Adjustment to reclassify personal phone reimbursement from salary to A&G expense	(900)	(672)	(228)
3.	Adjustment to update salaries till December 2023	<u>(4,500)</u>	<u>(3,360)</u>	<u>(1,140)</u>
4.	Salaries and wages per Public Staff (L1 + L2 + L3)	<u>33,600</u>	<u>25,091</u>	<u>8,509</u>
5.	Adjustment to salaries and wages (L4 - L1)	<u><u>(\$5,400)</u></u>	<u><u>(\$4,032)</u></u>	<u><u>(\$1,368)</u></u>

[1] Calculated by the Public Staff based on information provided by the Company.
 [2] Allocated by customer counts as of end of test year.

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Water Resources, Inc.
 Docket W-1034 Sub 13
ADJUSTMENT TO ADMINISTRATIVE AND OFFICE EXPENSE
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3-2

<u>Line No.</u>	<u>Item</u>	<u>Total Amount</u> [1] (a)	<u>Allocated Rocky River</u> [2] (b)	<u>Allocated River Walk</u> [2] (c)
1.	Administrative and office expense per application	\$10,220	\$7,636	\$2,584
2.	Adjustment to reflect actual and reasonable estimated administrative and office expense per supporting documentation	<u>(930)</u>	<u>(699)</u>	<u>(231)</u>
3.	Administrative and office expense per Public Staff (L1 + L2)	<u>9,290</u>	<u>6,937</u>	<u>2,353</u>
4.	Adjustment to Administrative and office expense (L3 - L1)	<u>(\$930)</u>	<u>(\$699)</u>	<u>(\$231)</u>

[1] Calculated by the Public Staff based on information provided by the Company.

[2] Allocated by customer counts as of end of test year.

Water Resources, Inc.
 Docket W-1034 Sub 13
ADJUSTMENT TO INSURANCE EXPENSE
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3-3

<u>Line No.</u>	<u>Item</u>	<u>Total Amount</u> [1] (a)	<u>Allocated Rocky River</u> [2] (b)	<u>Allocated River Walk</u> [2] (c)
1.	Insurance expense per application	\$2,945	\$2,199	\$746
2.	Adjustment to update insurance expense thorough December 2023	<u>196</u>	<u>147</u>	<u>49</u>
3.	Insurance expense per Public Staff (L1 + L2)	<u>3,141</u>	<u>2,346</u>	<u>795</u>
4.	Adjustment to insurance expense (L3 - L1)	<u>\$196</u>	<u>\$147</u>	<u>\$49</u>

[1] Calculated by the Public Staff based on information provided by the Company.
 [2] Allocated by customer counts as of end of test year.

Water Resources, Inc.
 Docket W-1034 Sub 13
ADJUSTMENT TO PROFESSIONAL EXPENSE
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3-4

Line No.	Item	Total Amount [1] (a)	Allocated Rocky River [2] (b)	Allocated River Walk [2] (c)
1.	Professional expense per application	\$12,198	\$8,611	\$3,587
2.	Correction of professional expense per DR 3 response	(536)	98	(634)
3.	Recalculation of legal invoice on page 19	2,025	1,512	513
4.	Adjustment to remove non recoverable professional expense per supporting documentation	(10,399)	(7,766)	(2,634)
5.	Adjustment for miscellaneous rounding and cash	5	4	1
6.	Adjustment to re allocate professional expense to rate case expense per supporting documentation	<u>(1,759)</u>	<u>(1,314)</u>	<u>(445)</u>
7.	Professional expense per Public Staff (Sum thru L1 + L6)	<u>1,533</u>	<u>1,145</u>	<u>388</u>
8.	Adjustment to professional expense (L7 - L1)	<u>(\$10,665)</u>	<u>(\$7,466)</u>	<u>(\$3,199)</u>

[1] Calculated by the Public Staff based on information provided by the Company.
 [2] Allocated by customer counts as of end of test year.

Water Resources, Inc.
 Docket W-1034 Sub 13
ADJUSTMENT TO MISCELLANEOUS EXPENSE
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3-5

<u>Line No.</u>	<u>Item</u>	<u>Total Amount</u> [1] (a)	<u>Allocated Rocky River</u> [2] (b)	<u>Allocated River Walk</u> [2] (c)
1.	Micellaneous expense per application	\$2,251	\$1,681	\$570
2.	Adjustment to update Miscellaneous expense per supporting documentation	<u>1,157</u>	<u>864</u>	<u>293</u>
3.	Micellaneous expense per Public Staff (L1 + L2)	<u>3,408</u>	<u>2,545</u>	<u>863</u>
4.	Adjustment to Miscellaneous expense (L3 - L1)	<u>\$1,157</u>	<u>\$864</u>	<u>\$293</u>

[1] Calculated by the Public Staff based on information provided by the Company.
 [2] Allocated by customer counts as of end of test year.

Water Resources, Inc.
 Docket W-1034 Sub 13
ADJUSTMENT TO REGULATORY EXPENSE
 For The Test Year Ended XXXX

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3-6

Line No.	Item	Actual Amounts [1] (a)	Adjustments [1] (b)	Total Amount [2] (c)	Allocated Rocky Water [5] (d)	Allocated River Walk [5] (e)
1.	Consulting fees	\$9,525		\$9,525	\$7,113	\$2,412
2.	Legal fees	1,759	8,988	\$10,747	8,025	2,722
3.	Miscellaneous costs (mailing customer notices, filing fee)		<u>371</u>	<u>371</u>	<u>277</u>	<u>94</u>
4.	Total Regulatory Expenses (Sum of Lines 1 -3)	11,284	9,359	20,643	15,415	5,228
5.	Amortization Period			<u>5 [3]</u>	<u>5 [3]</u>	<u>5 [3]</u>
6.	Regulatory Expense per Public Staff (Line 4 / Line 5)			4,129	3,083	1,046
7.	Regulatory Expense per Company			11,791 [4]	8,805 [4]	2,986 [4]
8.	Adjustment to Regulatory Expense (Line 6 - Line 7)			<u>(\$7,663)</u>	<u>(\$5,722)</u>	<u>(\$1,940)</u>

[1] Calculated by the Public Staff based on information provided by the Company.
 [2] Column (a) + Column (b), unless otherwise noted.
 [3] Public Staff recommended amortization period to realize the time gap between the last rate case and the current proceeding.
 [4] Amount per Company application.
 [5] Allocated between water and sewer operations based on customer counts recommended by Public Staff witness Houser.

Water Resources, Inc.
 Docket W-1034 Sub 13
ADJUSTMENT TO PROPERTY TAX EXPENSE
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3-7

Line No.	Item	Total Amount (a) [1]	Allocated Rocky River (b) [2]	Allocated River Walk (c) [2]
1.	Property tax expense per application	\$1,493	\$454	\$1,039
2.	Adjustment to update property tax expense per supporting documentation	<u>(1,016)</u>	<u>(0)</u>	<u>(1,016)</u>
3.	Property tax expense per Public Staff (L1 + L2)	<u>477</u>	<u>454</u>	<u>23</u>
4.	Adjustment to property tax expense (L3 - L1)	<u>(\$1,016)</u>	<u>(\$0)</u>	<u>(\$1,016)</u>

[1] Calculated by the Public Staff based on information provided by the Company.
 [2] Allocated by customer counts as of end of test year.

Water Resources, Inc.
 Docket W-1034 Sub 13
ADJUSTMENT TO PAYROLL TAX
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3-8

<u>Line No.</u>	<u>Item</u>	<u>Total Amount</u> [1] (a)	<u>Allocated Rocky River</u> [2] (b)	<u>Allocated River Walk</u> [2] (c)
1.	Payroll tax per application	\$2,984	\$2,228	\$756
2.	Adjustment of payroll taxes to updated salaries	<u>309</u>	231	78
3.	Payroll tax per Public Staff (L1 + L2)	<u>3,293</u>	<u>2,459</u>	<u>834</u>
4.	Adjustment to payroll tax (L3 - L1)	<u>\$309</u>	<u>\$231</u>	<u>\$78</u>

[1] Calculated by the Public Staff based on information provided by the Company.
 [2] Allocated by customer counts as of end of test year.

Water Resources, Inc.
 Docket W-1034 Sub 13
CALCULATION OF INCOME TAXES
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3-9a

Rocky River

<u>Line No.</u>	<u>Item</u>	Present Rates [1] (a)	Company Proposed Rates [2] (b)	Public Staff Recommended Rates [3] (c)
1	Operating revenue	\$43,700	\$208,232	\$138,875
	Operating revenue deductions:			
2	Total O&M expenses	89,484	89,484	89,484
3	Depreciation expense	9,426	9,426	9,426
4	Amortization expense	0	0	0
5	Property taxes	454	454	454
6	Payroll taxes	2,459	2,459	2,459
7	Other taxes	166	166	166
8	Regulatory fee	64	307	205
9	Interest expense	9,104	9,104	9,104
10	Total deductions (Sum of L2 thru L9)	<u>111,157</u>	<u>111,400</u>	<u>111,297</u>
11	Taxable income (L1 - L10)	<u>(67,457)</u>	<u>96,832</u>	<u>27,578</u>
12	State income tax (L11 x 2.50%)	<u>0</u>	<u>2,421</u>	<u>689</u>
13	Federal taxable income (L11 - L12)	<u>(67,457)</u>	<u>94,411</u>	<u>26,889</u>
14	Federal income tax (L13 x 21.00%)	<u>0</u>	<u>19,826</u>	<u>5,647</u>
15	Net amount (L13 - L14)	(67,457)	74,585	21,242
16	Add: interest expense	<u>9,104</u>	<u>9,104</u>	<u>9,104</u>
17	Net income for return (L15 + L16)	<u><u>(\$58,353)</u></u>	<u><u>\$83,689</u></u>	<u><u>\$30,346</u></u>

[1] Public Staff Accounting Exhibit I, Schedule 3a, Column (c).
 [2] Public Staff Accounting Exhibit I, Schedule 3a, Column (e).
 [3] Public Staff Accounting Exhibit I, Schedule 3a, Column (g).

Water Resources, Inc.
 Docket W-1034 Sub 13
CALCULATION OF INCOME TAXES
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 3-9b

River Walk

Line No.	Item	Present Rates [1] (a)	Company Proposed Rates [2] (b)	Public Staff Recommended Rates [3] (c)
1	Operating revenue	\$35,654	\$57,354	\$39,097
	Operating revenue deductions:			
2	Total O&M expenses	31,367	31,367	31,367
3	Depreciation expense	3,754	3,754	3,754
4	Amortization expense	(247)	(247)	(247)
5	Property taxes	23	23	23
6	Payroll taxes	834	834	834
7	Other taxes	56	56	56
8	Regulatory fee	53	85	58
9	Interest expense	0	0	0
10	Total deductions (Sum of L2 thru L9)	35,840	35,872	35,845
11	Taxable income (L1 - L10)	(186)	21,482	3,252
12	State income tax (L11 x 2.50%)	0	537	81
13	Federal taxable income (L11 - L12)	(186)	20,945	3,171
14	Federal income tax (L13 x 21.00%)	0	4,398	666
15	Net amount (L13 - L14)	(186)	16,547	2,505
16	Add: interest expense	0	0	0
17	Net income for return (L15 + L16)	(\$186)	\$16,547	\$2,505

[1] Public Staff Accounting Exhibit I, Schedule 3b, Column (c).
 [2] Public Staff Accounting Exhibit I, Schedule 3b, Column (e).
 [3] Public Staff Accounting Exhibit I, Schedule 3b, Column (g).

Water Resources, Inc.
 Docket W-1034 Sub 13
 CALCULATION OF REVENUE REQUIREMENT
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 4a

Rocky River

Line No.	Item	Rate Base Method (a)	Retention Factor (b)	Revenue Requirement (c)	Operating Ratio Method (d)	Retention Factor (e)	Revenue Requirement (f)
	Operating revenue deductions:						
1.	Total O&M and G&A expense	\$89,484			\$89,484		
2.	Depreciation expense	9,426			\$9,426		
3.	Amortization expense	0			\$0		
4.	Property taxes	454			\$454		
5.	Payroll taxes	2,459			\$2,459		
6.	Other taxes	166			\$166		
7.	Regulatory fee	0			\$0		
8.	Total operating revenue deductions	<u>\$101,989</u>	0.998525	\$102,139	<u>\$101,989</u>	0.998525	\$102,139
9.	Net operating income for return:						
10.	Debt service return	9,104	0.998525	9,117			
11.	Equity return:	21,242	0.769114	27,619	7,139	0.769114	9,282
	Revenue requirement			<u>\$138,875</u>			<u>\$111,422</u>
							\$138,875

Water Resources, Inc.
 Docket W-1034 Sub 13
 CALCULATION OF REVENUE REQUIREMENT
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 4b

River Walk

Line No.	Item	Rate Base Method (a)	Retention Factor (b)	Revenue Requirement (c)	Operating Ratio Method (d)	Retention Factor (e)	Revenue Requirement (f)
	Operating revenue deductions:						
1.	Total O&M and G&A expense	\$31,367			\$31,367		
2.	Depreciation expense	3,754			\$3,754		
3.	Amortization expense	(247)			(\$247)		
4.	Property taxes	23			\$23		
5.	Payroll taxes	834			\$834		
6.	Other taxes	56			\$56		
7.	Regulatory fee	0			\$0		
8.	Total operating revenue deductions	<u>\$35,787</u>	0.998525	\$35,840	<u>\$35,787</u>	0.998525	\$35,840
9.	Net operating income for return:						
10.	Debt service return	510	0.998525	511			
11.	Equity return:	1,190	0.769114	1,547	2,505	0.769114	3,257
	Revenue requirement			<u>\$37,898</u>			<u>\$39,097</u>
							\$39,097

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Water Resources, Inc.
 Docket W-1034 Sub 13
 CALCULATION OF GROSS REVENUE
 IMPACT OF PUBLIC STAFF ADJUSTMENTS
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 5a

Rocky River		
Line No.	<u>Item</u>	<u>Amount</u> [1]
1	Proposed increase / (decrease) in total revenues per Company	\$141,276
<u>Difference in calculation of revenue requirement based on Company amounts:</u>		
2	Adjustment to capital structure from 50% to XX% for debt and from 50% to XX% for equity	0
3	Adjustment to debt rate from 4.6% to XX%	(1,008)
4	Adjustment to edquity rate from 9.8% to XX%	0
5	Adjust to plant in service	(5,547)
6	Accumulated depreciation	(144)
7	Contributions in aid of construction	0
8	Accumulated amortization of CIAC	0
9	Customer advances	0
10	Customer deposits	0
11	Cash working capital	(235)
12	Average tax accruals	(4)
13	Service revenues	2,214
14	Miscellaneous revenues	0
15	Uncollectibles	0
16	Salaries and wages	(4,038)
17	Administrative and office expense	(700)
18	Maintenance & repair expense	(3,056)
19	Contract Operator	0
20	Electric Power	(728)
21	Water Testing	(1,779)
22	Chemicals	228
23	Purchased water	14
24	Insurance expense	147
25	Professional Services	(7,477)
26	Miscellenaous expenses	865
27	Regulatory expense	(5,730)
28	Depreciation expense	(19,520)
29	Amortization expense - CIAC	0
30	Property taxes	(0)
31	Payroll taxes	231
32	Adjustment to include other taxes in the calculation of rev req	166
33	Adjustment to other taxes	0
34	Adjustment for return	0
35	Difference of return	0
36	Revenue impact of Public Staff adjustments	(46,102)
37	Recommended increase / (decrease) per Public Staff	\$95,174

[1] Calculated by the Public Staff.

Water Resources, Inc.
 Docket W-1034 Sub 13
 CALCULATION OF GROSS REVENUE
 IMPACT OF PUBLIC STAFF ADJUSTMENTS
 For The Test Year Ended 2022

Public Staff
 Accounting Supplemental Exhibit I
 Schedule 5b

Line No.	River Walk Item	Amount [1]
1	Proposed increase / (decrease) in total revenues per Company	\$14,161
	<u>Difference in calculation of revenue requirement based on Company amounts:</u>	
2	Adjustment to capital structure from 50% to XX% for debt and from 50% to XX% for equity	0
3	Adjustment to debt rate from 4.6% to XX%	0
4	Adjustment to edquity rate from 9.8% to XX%	0
5	Adjust to plant in service	0
6	Accumulated depreciation	0
7	Contributions in aid of construction	0
8	Accumulated amortization of CIAC	0
9	Customer advances	0
10	Customer deposits	0
11	Cash working capital	0
12	Average tax accruals	0
13	Service revenues	7,544
14	Miscellaneous revenues	(8,042)
15	Uncollectibles	0
16	Salaries and wages	(1,370)
17	Administrative and office expense	(232)
18	Maintenance & repair expense	(1,272)
19	Contract Operator	0
20	Electric Power	(405)
21	Water Testing	744
22	Chemicals	(256)
23	Purchased water	0
24	Insurance expense	50
25	Professional Services	(3,203)
26	Miscellenaous expenses	293
27	Regulatory expense	(1,943)
28	Depreciation expense	(534)
29	Amortization expense - CIAC	(247)
30	Property taxes	(1,018)
31	Payroll taxes	78
32	Adjustment to include other taxes in the calculation of rev req	56
33	Adjustment to include return on other taxes in the calculation of rev req	5
34	Adjustment to other taxes	0
35	Adjustment for return	(847)
36	Difference of return	(117)
37	Revenue impact of Public Staff adjustments	(10,717)
38	Recommended increase / (decrease) per Public Staff	\$3,444

[1] Calculated by the Public Staff.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing has been served on all parties of record or their attorneys, or both, in accordance with Commission Rule R1-39, by United States Mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 26th day April, 2024.

Electronically submitted
/s/ Gina C. Holt
Staff Attorney